

chief, D/S 9250

~~SECRET~~

ED/EC M-254

July 15, 1957

EXECUTIVE COMMITTEE OF THE
ECONOMIC DEFENSE ADVISORY COMMITTEE

MINUTES

2:00 p.m. Thursday, July 11, 1957
Room 1213 Malatico

Attendance:

MDAC

Mr. Hale, Chairman
Mr. Kramer, Executive Secretary
Mrs. Lese, Committee Secretary

CIA

Mr. [REDACTED] 25X1A9a

Commerce

Mr. George

Defense

Colonel Green

ICA

Mr. Slaght

State

Mr. Wright
Mr. Knoll
Mr. Mark

Treasury

Mr. Pollak

Agenda:

- Note a. EDAC D-124/2, July 8, 1957.
Note b. Draft Instructions to Paris re IL II Quotas for China.
(Ref. TOPOL 102, 7/11; TOPOL 103, 7/11)
1. Review of Paragraphs 9 and 21 of the Policy Paper (NSC 5704/1)

~~SECRET~~

SECRET

-2-

Note a. EDAC D-124/2, July 8, 1957.

The Chairman called attention to the State Department document on Italian mercury shipments to the European Soviet bloc (EDAC D-124/2), which had been prepared in response to questions raised on this subject by Mr. Marshall M. Smith, Commerce, in a letter to the Chairman of EDAC (EDAC D-124/1). The paper which summarizes actual negotiations for this year and recommends action in support of our policy will be placed on the Executive Committee agenda as soon as the members have had an opportunity to examine it.

Note b. Draft Instructions to Paris re IL II Quotas for China.
(Ref. TOPOL 102, 7/11; TOPOL 103, 7/11)

The State member informed that he had dispatched the two draft instructions to Paris (TOPOL 102, 7/11; TOPOL 103, 7/11) which had been discussed at the meeting of the previous day. A few minor language changes had been made but none of a substantive nature. No responses had been made to the USDEL's suggestion that a team of U. S. experts be sent to assist him in the forthcoming discussions. This possibility was not ruled out but there had not been sufficient time to consider it.

1. Review of Paragraphs 9 and 21 of the Policy Paper (NSC 5704/1).

Decision

The Executive Committee would meet Monday, July 15, to consider further the proposals for paras. 9, 21, and 23 with the view toward final redrafting of the policy paper.

Discussion

The Chairman noted that the Committee was now in a position to consider para. 9 and any other proposals which it deemed necessary to reconsider. In directing attention to para. 9, it seemed to him two points should be kept in mind: 1) the language of the policy paper itself, and, 2) the work program which would result from proposals made under para. 9. To expedite the assignment and in view of the fact that several changes were being suggested in para. 9 he felt concentration should be placed on the substance of the paragraph, leaving the matter of language to a later date.

The Chairman asked that the State, Commerce, and Defense members give explanations of their papers concerning proposed revisions of para. 9 (NSC 5704/1). The State paper in addition dealt with a revision of para. 21 and a proposal for a new paragraph, no. 23.

The State member explained that for purposes of meeting elaborate departmental clearance it was deemed advisable to use the progress report format for setting forth their proposals for revision of paras. 9 and 21 and the suggested paragraph 23, and the present form of the paper resulted after discussion in the Department.

SECRET

SECRET

-3-

The Commerce member felt that too much emphasis had been given to the progress report in the State paper. It was his view that the paper be reorganized in such a way that the progress report would not be a large part of the document but rather should be made an appendix to the paper which is to be sent up to the NSC.

The Commerce and Defense members then gave detailed explanations of the thinking used in setting forth their proposals.

The State member remarked that the ideas concerning a revision of the lists expressed in both the Commerce and Defense papers were not distasteful to the Department. Though they had not said a great deal about this in their commentary of para. 9, he believed they had indicated their agreement with the need for a reexamination of the lists. The primary focus of interest at the moment was to make sure, now that we have controls that are applicable to the Sino-Soviet bloc as a whole, that the lists as they stand do properly reflect this fact and include the items on which China is vulnerable and which cannot be supplied to them by the European Soviet bloc.

Distribution:

ED List Parts I & II
WG I (Limited)

SECRET